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ABSTRACT

A program budget is an alternative to the traditional line-item budget. Such a budget would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes. This report outlines a structure for such a Program Budget System (PBS) in the Worcester, Massachusetts, Public Schools. The outline describes the program budget structure, identifies the individual programs, discusses development of the program coding system, and provides designs for budget reporting forms. (Page 34 may reproduce poorly.) (JF)

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PROGRAM BUDGETING

A proposed outline of
plans and procedures

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WORCESTER PUBLIC SCHOOLS

September 1972

EA 005 518

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PROGRAM BUDGETING

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1. Purpose

The immediate purpose of this report is to outline a structure for a proposed "Program Budget System (PBS)" for the Worcester Public Schools.

This "program budget" would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes.

The "program budget" would be an alternative to the traditional "line-item budget."

On a longer-range planning basis, PBS may be considered as one phase of a total "Planning - Programming - Budgeting - Evaluating System (PPBES)."

Briefly, the major phases of PPBES are:

- (1) Planning - the setting of immediate and long-range goals and objectives
- (2) Programming - the selecting from alternatives, methods of achieving these goals and objectives
- (3) Budgeting - the financial interpreting of the programs sponsored
- (4) Evaluating - the assessing of the attainment of objectives and the worth of programs

While some school systems begin with phase "1," many find it more practical to begin with phase "3."

This outline will concern itself with step "3" and will involve the following:

- (1) description of the program budget structure
- (2) identification of individual programs
- (3) development of the program coding system
- (4) design of budget reporting forms

4.

2. Guidelines

The following guidelines or requirements for the development of a Program Budgeting System are recognized:

- (1) The system should be consistent with the requirements of PPBES, if this is to be implemented in the future.

- (2) The design should take into account the current requirements for financial accounting of:
 - (a) the school system
 - (b) the City of Worcester
 - (c) the Commonwealth of Massachusetts
 - (d) the U.S. Office of Education as set forth in
Financial Accounting for Local and State
School Systems, Handbook II

- (3) The processing of data would be accomplished by computer.

- (4) The system should be expandable to allow for the addition or revision of programs.

- (5) The system should be flexible to allow any future modifications,
for example, (1) a goal-oriented structuring of programs
(2) the allocation of the costs of all support
and service programs to instructional programs
- (6) A good program-expenditure-reporting-system is needed for purposes
of analysis and for budget planning.
- (7) Revisions will become necessary as the implementation progresses.

3. Program Structure, Identification, and Coding

A program may be defined very simply as "a set of activities contributing to a common objective."

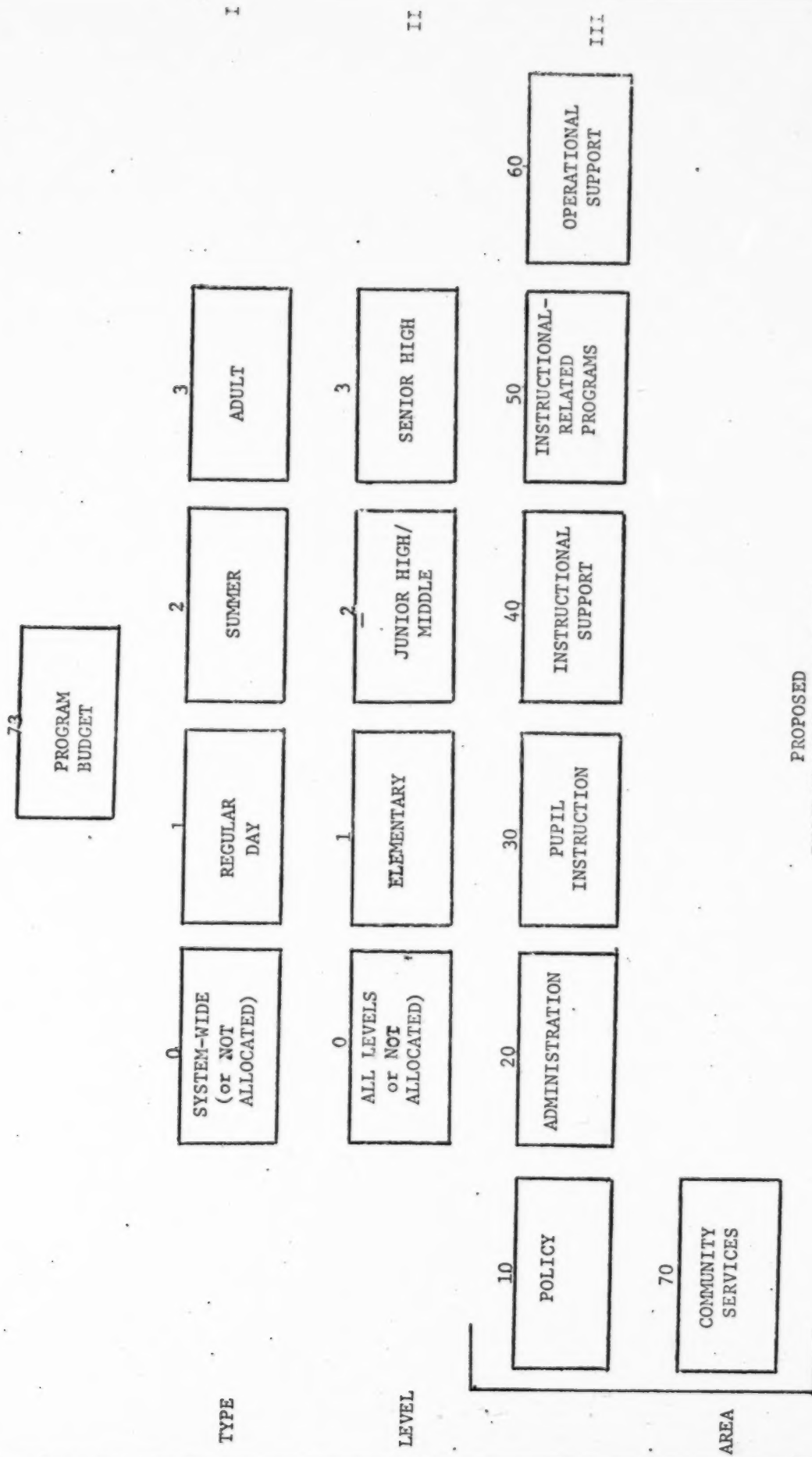
Actually, a program may be as broad or as narrow a set of activities as you may wish to define, and for which you would like to have a specific budget. The program budget as a concept must be adapted to the individual school system. Usually its detail is a function of the size of the school system.

For Worcester's immediate purposes, it is proposed that a program consist of one specific subject-matter area at one level of the school system. For example, "home economics at the junior-high level."

Special situations also would be identified, such as the "elementary swimming-program."

The various levels and classifications of programs, as recommended, are shown in Figure 1A, page 7.

The coding system for data processing purposes is also illustrated. Each program is identified by a unique 6-digit code number.



Programs are defined first (Level I) by "type":

<u>Code</u> <u>(1st digit)</u>	<u>Type</u>
0- - - -	System-wide (or not allocated)
1- - - -	Regular day
2- - - -	Summer
3- - - -	Adult

Next, by grade "level" (Level II):

<u>Code</u> <u>(2nd digit)</u>	<u>Level</u>
-0- - - -	All levels (or not allocated)
-1- - - -	Elementary
-2- - - -	Junior High/Middle
-3- - - -	Senior High

The next level (Level III) has several "areas," each representing a separate function within the school system. It should be noted at this point that programs will cross organizational lines.

<u>Code</u> <u>(3rd digit)</u>	<u>Area</u>
__ 1 __	Policy
__ 2 __	Administration
__ 3 __	Pupil Instruction
__ 4 __	Instructional Support
__ 5 __	Instructional- Related Programs
__ 6 __	Operational Support
__ 7 __	Community Services

Each one of the above "areas" is permitted a further classification into organizational "blocks" in the next level (Level IV). See Figure 1B, page 14.

<u>Code</u> <u>(3rd and 4th)</u> <u>digits</u>	<u>Area and Block</u>
__ 10 __	<u>Policy: General</u>
__ 11 __	School Committee
__ 12 __	
__ 13 __	
__ 14 __	
__ 20 __	<u>Administration: General</u>
__ 21 __	Superintendent's Office
__ 22 __	
__ 23 __	
__ 24 __	
__ 25 __	
__ 26 __	
__ 27 __	
__ 28 __	
__ 29 __	
__ 30 __	<u>Pupil Instruction: General</u>
__ 31 __	Graded (K, 1,2-----8)
__ 32 __	Academic (English, Languages,---)
__ 33 __	Special-Area (Art, Music,___)
__ 34 __	Vocational-Occupational
__ 35 __	Special-Education
__ 36 __	Selected-Schools/Programs (Community Schools, Adjunct,Dynamy,---)
__ 37 __	
__ 38 __	
__ 39 __	Other-Programs (Study Hall, Duty, Conference,-----)

Instructional Support:

-- 40 --	General
-- 41 --	Library
-- 42 --	Audio-Visual
-- 43 --	Pupil Services
-- 44 --	Staff Development
-- 45 --	Program Development

Instructional
Related Programs:

-- 50 --	General
-- 51 --	Athletics
-- 52 --	Pupil Activities
-- 53 --	Special Events (Art Festival, Project Fair---)
-- 54 --	

Operational Support:

-- 60 --	General
-- 61 --	Business
-- 62 --	Data Processing
-- 63 --	Plant
-- 64 --	Transportation
-- 65 --	Food
-- 66 --	

Community Services:

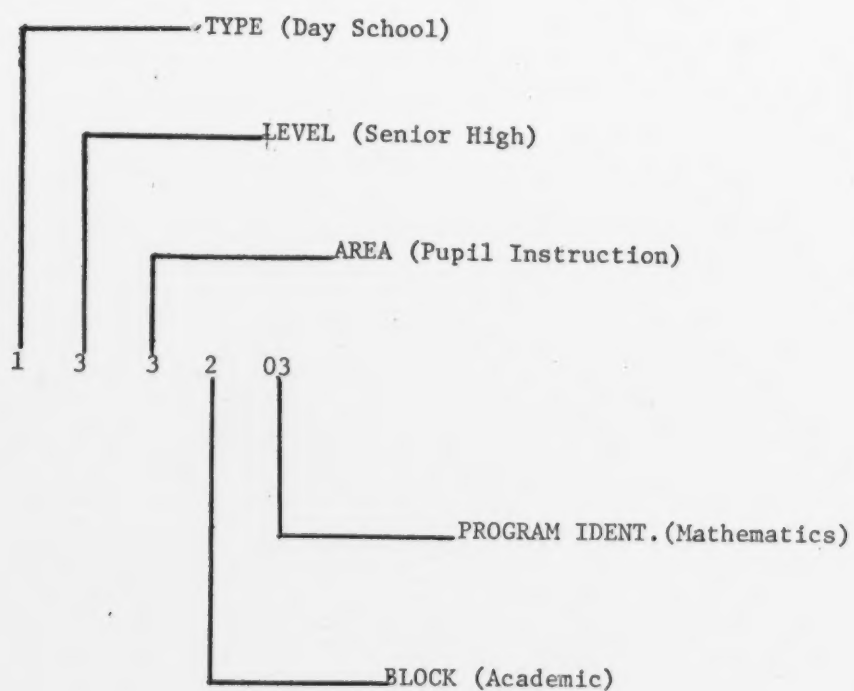
-- 70 --	General
-- 71 --	Recreation
-- 72 --	Civic
-- 73 --	Non-Public-Schools
-- 74 --	

Within "type," "level," and "block," each program is further identifiable (Level V) by the addition of the fifth and sixth digits.

Code

----- 03

For example, the "Senior-High Mathematics Program": would be identified by:



While the structure (Level V) permits the identification of many programs, only the most illustrative are listed in Figure 1B. All programs will be listed as implementation proceeds.

B L O C K P R O G R A M

POLICY

10

GENERAL

11

SCHOOL
COMMITTEE

001000

001100 SCH. COMM.

IV

V

FIGURE 1 B-1

H

ADMINISTRATION

20

GENERAL

002000

21

SUPERINTENDENT'S
OFFICE

002100 SUPT. OFF.

B L O C K P R O G R A M

IV

V

PUPIL INSTRUCTION

30		31		32		33		34		35	
GENERAL		GRADED		ACADEMIC		SPECIAL- AREA		VOCATIONAL OCCUPATIONAL		SPECIAL EDUCATION	
B L O C K	P R O G R A M	ELEM.	Gr. K	ELEM.	English	ELEM.	Art				
		113115	1	113201	Languages	113301	Music				
		113101	2	113202	Math.	113302	Phy. Ed.				
		113102	3	113203	Science	113303	Swimming				
		113103	4	113204	Soc. St.	113304	Ind. Arts				
		113104	5	113205		113305	Home Ec.				
		113105	6			113306	Reading				
		113106	7			113307	Family Living				
		113107	8			113308					
		113108									
		J.H.	7	J.H.		J.H.		J.H.			
		123107	8	123201		123301		123421	Communi-		
		123108	9	123202		123302			cations		
		123109		123203		123303			Skill		
				123204		123304			Center		
				123205		123305					
		S.H.	9			123306					
		133109	10			123307					
		133110	11								
		133111	12								
		133112									
			K-8	S.H.		S.H.		S.H.			
		113199	Elem	133201		133301		133431	Bus. Ed.		
				133202		133302		133432	Agr.		
				133203		133303		133433	Dist. Ed.		
				133204		133304		133434	Transp.		
				133205		133305		133435	Work Exp.		
						133306					
						133307					

FIGURE 1 B-3

PUPIL INSTRUCTION (Cont'd)

36

SELECTED
SCHOOLS AND
PROGRAMS

B L O C K P R R O G R A M

003600
ELEM.

113601 Community
Schools

39.

OTHER
PROGRAMS

IV

003900
ELEM.

V

113998 Other Programs
Allocatable to
Pupil Instruction

J.H.

123901 Study Hall

123902 Homeroom

123903 Cocurricular

123904 Duty Assignments

123905 Conference

123906 Unassigned

123907 Lunch

123998

S.H.

133901

133902

133903

133904

133905

133906

133907

133998

S. H.

133631 Alternative

School

133632 Dynamy

SUMMER

213641 Summer Elem.

223642 Summer J.H.

233643 Summer S.H.

233644 Adjunct Sum.

ADULT

313681 Elem.

313683 Evening High

303684 Enrichment

303685 Learning Ctr.

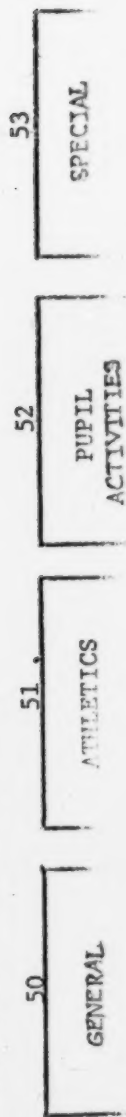
FIGURE 1B-3 (Cont'd)

INSTRUCTIONAL SUPPORT

B L O C K	INSTRUCTIONAL SUPPORT					IV
	40	41	42	43	44	45
	GENERAL	LIBRARY	AUDIO-VISUAL	PUPIL SERVICES	STAFF DEVELOPMENT	PROGRAM DEVELOPMENT
P R O G R A M	004000	004100	004200	004300	00440	004500
		004101 Libr. Ctr.	004201 A-V Ctr.		004401 Staff	004501 Prog.
		ELEM.	ELEM.	ELEM.	004402 Released Time	Dev. Ctr.
		114102 Sch. Libs.	114202 Sch. A-V Ctrs.	114302 Counsel'g		
		J.H.	J.H.	J.H.		
		124102	124202	124302		
		S.H.	S.H.	S.H.		
		134102	134202	134302		
		234102		134303 Placement		
		334102				
			004203 Ed. T.V.	004304 Ch. Study		
			004204 Comptr. Asst. Instr.	004305 Measurement		
				004306 Attendance		
				004307 Health		

FIGURE 1B-4

INSTRUCTIONAL-RELATED PROGRAMS



B L O C K P R O G R A M

005302 Project Fair

FIGURE 1B-5

OPERATIONAL SUPPORT

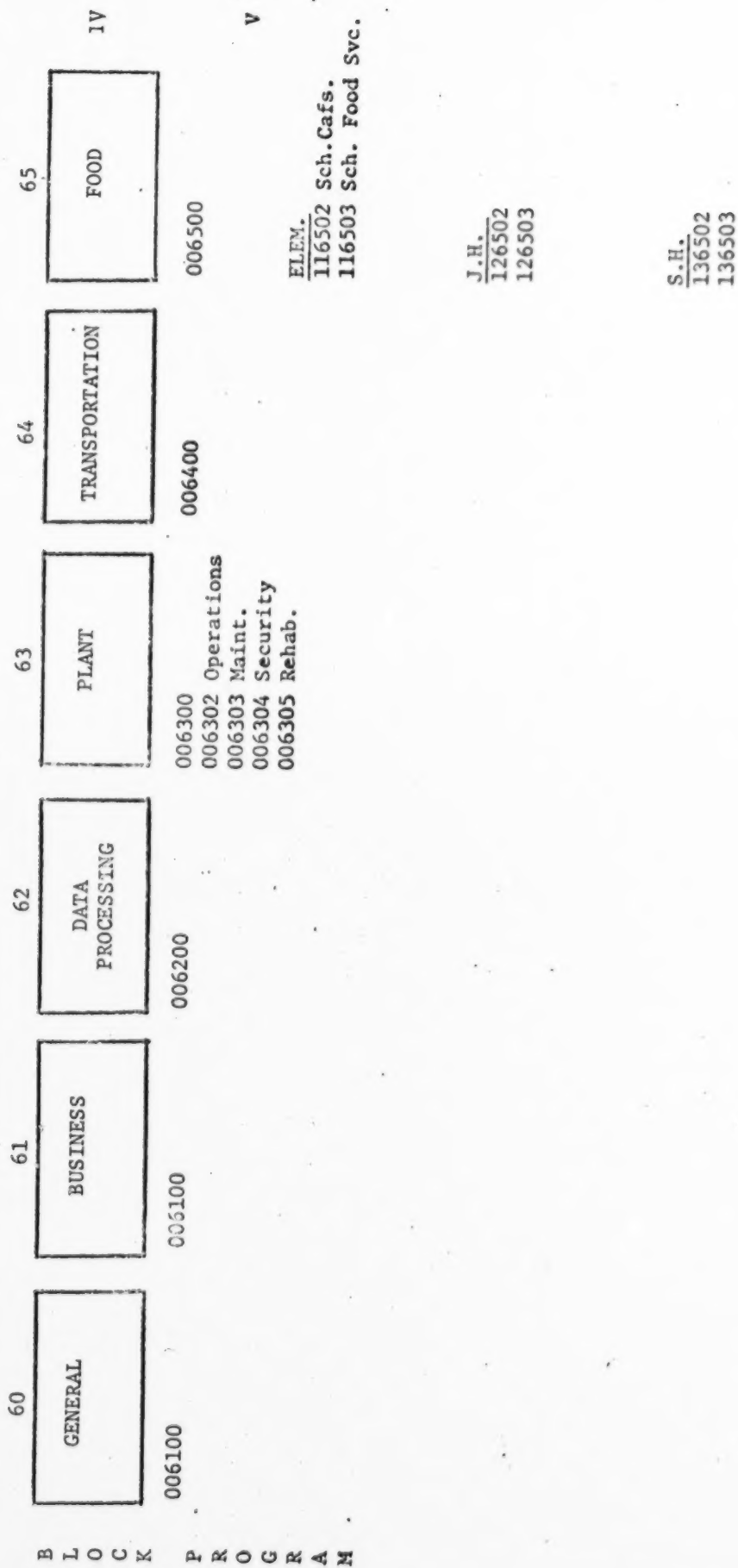


FIGURE 1B-6

IV

V

COMMUNITY SERVICES

70	GENERAL	007000
71	RECREATION	007100
72	CIVIC	007200
73	NON-PUBLIC SCHOOLS	007300 007301 Transp. 007302 Health 007303 Athletics 007304 Attendance

B L O C K P R O G R A M

Related Coding and Sub-Program Identification

Two further coding requirements must be considered in order to provide (1) additional information for budget preparation and analysis and (2) identification of program elements such as specific courses, when these must be evaluated to meet a need.

"Related coding" provides 14 digits to identify the following:

<u>Code</u>	<u>Item</u>
73	Budget Year
1	Source of Funds (See Appendix 1)
016	School or Division (See Appendix 2)
50106	Account (See Appendix 3)
320	Object (See Appendix 4)

"Account" and "Object" number together with the program number provide a crossover between the line-item budget and the program budget.

"Sub-program identification" provides 3 digits to identify a specific element or course within a program. At the junior-high and senior-high levels, these numbers will be the course numbers as provided in the "Program of Studies Booklet."

Program elements may be analyzed further into "program element experiences" or units within a course, for example, "Astronomy" in the 8th-Grade Science course.

The complete coding structure for a proposed budget item or an expenditure item for Plane Geometry books at a particular high school is shown in Figure 2, page 22.

While this might seem complex, many of the digits would be pre-recorded or pre-punched in normal processing procedures. For purposes of cost analysis, assuming data processing capabilities, the potential would be of advantage.

5. Budget Forms

Forms to be used in the Program Budget would consist of the following types:

Reporting Forms

- (1) Summary
 - (a) showing total budget figures by program AREA (Policy, Administration, Pupil Instruction, etc.) and TYPE (Regular Day, Summer, etc.)
See Figure 3, page 25.
 - (b) showing total budget figures for each individual program.
See Figures 4A, 4B, and 4C, pages 26 to 28.
- (2) Program - showing an analysis for each program by personnel, books, supplies, equipment, etc. See Figure 5, page 29.
- (3) Special Report showing special data as may be appropriate.
Not illustrated.

Processing Forms

- (1) Program Element - individual course or program element forms needed to prepare a program form. See Figure 5, page 29.
- (2) Worksheets - special forms needed for salary proration analysis, etc.
Not illustrated.

Figure 3
1973
BUDGET SUMMARY
BY
PROGRAM AREA AND TYPE

PROGRAM AREA	PROGRAM		TYPE		
	Regular Day	Summer	Adult	System-Wide or Not Allocated	Total
1. <u>POLICY</u>					
2. <u>ADMINISTRATION</u>					
3. <u>PUPIL INSTRUCTION</u>					
4. <u>INSTRUCTIONAL SUPPORT</u>					
5. <u>INSTRUCTIONAL- RELATED PROGRAMS</u>					
6. <u>OPERATIONAL SUPPORT</u>					
7. <u>COMMUNITY SERVICES</u>					
<u>TOTALS</u>					

Figure 4B

1973

PROGRAM AREA	PROGRAM	PROGRAM BUDGET SUMMARY			All Levels or not Allocated Total	
		SUMMER Elem.	J.H.	S.H.		
1.	POLICY					
2.	ADMINISTRATION					
3.	PUPIL INSTRUCTION					
	Summer Elem. Schools					
	Summer J.H. School					
	Summer S.H. School					
	Adjunct Summer School					
4.	INSTRUCTIONAL SUPPORT					
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Staff Development					
	Program Development					
5.	INSTRUCTIONAL-RELATED PROGRAMS					
6.	OPERATIONAL SUPPORT					
	Business					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
7.	COMMUNITY SERVICES					
	TOTALS					

28

Figure 4C
1973
PROGRAM BUDGET SUMMARY

<u>PROGRAM AREA</u>	<u>PROGRAM</u>	<u>ADULT Elem.</u>	<u>J.H.</u>	<u>S.H.</u>	<u>All Levels or Not Allocated</u>	<u>Total</u>
1. POLICY						
2. ADMINISTRATION						
3. PUPIL INSTRUCTION						
	Adult Enrichment					
	Adult Learning Center					
	Elementary Schools					
	Evening High School					
4. INSTRUCTIONAL SUPPORT						
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Placement					
	Staff Development					
	Program Development					
5. INSTRUCTIONAL-RELATED PROGRAMS						
6. OPERATIONAL SUPPORT						
	Business					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
7. COMMUNITY SERVICES						
TOTAL						

28.
29

Figure 5
BUDGET FORM FOR PROGRAM COST

<u>CODE</u>				
_____	BUDGET YEAR	_____		
_____	SOURCE OF FUNDS	_____		
_____	SCHOOL OR DIVISION	_____		
_____	PROGRAM TYPE	_____		
_____	PROGRAM LEVEL	_____		
_____	PROGRAM AREA	_____		
_____	PROGRAM	_____		
_____	PROGRAM ELEMENT	_____		
			Estimated	
	<u>PERSONNEL</u>	<u>Number</u>	<u>Cost</u>	
		<u>72</u> <u>73</u>	<u>72</u>	<u>73</u>
<u>50001-176</u>	Administrators	_____	_____	_____
<u>50001-176</u>	Teachers	_____	_____	_____
<u>50011-</u>	Teacher Aides	_____	_____	_____
_____	Consultants	_____	_____	_____
<u>50011-</u>	Lab. Assistants	_____	_____	_____
_____	Clerks	_____	_____	_____
_____	Substitutes	_____	_____	_____
_____	Other	_____	_____	_____
_____	Other	_____	_____	_____
	TOTAL		=====	=====
<u>50106-320</u>	<u>BOOKS</u>			
	TOTAL		=====	=====
<u>50102-321</u>	<u>SUPPLIES</u>			
	TOTAL		=====	=====
	<u>EQUIPMENT</u>			
<u>502 -500</u>	Instructional		_____	_____
<u>502 -500</u>	Non-Instructional		_____	_____
	TOTAL		=====	=====
	<u>TRANSPORTATION</u>			
<u>50103-</u>	Field Trips		_____	_____
_____	Busing		_____	_____
	TOTAL		=====	=====
	<u>OTHER</u>			
_____	Travel of Personnel		_____	_____
_____	Rentals		_____	_____
_____			_____	_____
_____			_____	_____
	TOTAL		=====	=====
	<u>TOTAL COST OF PROGRAM</u>		=====	=====

PROGRAM INFORMATION FORM

PROGRAM:

Number:

Brief Description:

Typical Pupil Schedule - Days per week: :
Periods per day:
Minutes per day:

Number of Schools Sponsoring Program :

Number of Pupils in Program :

Total Budget Cost : Cost/Pupil:

Total Cost Last Year : Cost/Pupil:

Reasons for Increase or Decrease :

Additional Comments:

Form Completed By:

Position:

School or Division:

Date :

6. Requirements for Implementation

In order to implement (1) a program-cost-reporting system and (2) a program-budget system, the following would be required:

1. data processing services adequate to handle all expenditures by program on a "daily" basis.
2. designation of a business-office program-budget "coordinator" who would (1) supervise the coding and processing of all data, (2) oversee the coordination of all business-office aspects of the process, and (3) be responsible for forms control.
3. designation of a "manager" for each program; this person would be the administrator having immediate responsibility for the program.
4. an in-service program to acquaint personnel with the system.

7. TimetableProgram Expenditure-
Reporting
and Budgeting

September 1972	Review and revision, of Program Budget recommendations as outlined in this report
October 1972	Approval of procedures for coding and budgeting
November 1972	Preparation of selected programs in program-budget form as recommended
1973	Implementation of procedures for coding and budgeting
July 1974	Full program budget at secondary level as outlined, assuming data processing services

8. Appendices

Appendix 1

Source-of-Funds Coding

1. City of Worcester
2. Fees
3. Grants
4. State
5. Federal
- 6.
- 7.
- 8.
9. Combination

PUBLIC SCHOOLS, WORCESTER, MASSACHUSETTS.SCHOOL CODES

012	Burncoat Senior High	450	Middlesex Avenue
030	Classical High	460	Miland Street
040	South High	465	Mill-Swan
050	North High <i>512 L.</i>	470	Millbury Street
060	Commerce High <i>No. WALNUT</i>	480	Nelson Place
018	Doherty Memorial High	485	Norrback Avenue
063	Burncoat Junior High	490	Oxford Street
065	Chandler Junior High	510	Quinsigamond Avenue
067	Forest-Grove Junior High	520	Rice Square
070	Grafton St. Junior High	530	Roosevelt
080	Providence St. Jr. High	540	St. Nicholas
675	<i>HARRINGTON</i>	550	Tatnuck
100	Abbott Street	570	Thronyke Road
120	Adams Street	580	Union Hill
130	Andover Street	590	Upsala Street
150	Selmont Street	600	Wauacus Road
155	Blithwood Avenue	610	West Boylston Street
160	Bloomfield School	615	West Tatnuck
170	Burncoat Street	620	Winslow/Sever
180	Cambridge Street	630	Woodland St. Prep
190	Canterbury Street	640	Woodland Street
200	Chandler Street		
205	Clark Street	870	Adjustment Counsellor
210	Columbus Park	874	Agriculture
220	Dartmouth Street	878	Americanization
230	Dix Street	882	Art Education
240	Downing Street	886	Attendance
250	East Kendall	890	Audio Visual Education
260	Edgeworth Street	894	Cafeteria Director
270	Elizabeth Street	898	Cerebral Palsy
275	Flagg Street	902	Child Study
280	Freeland Street	906	Evening High
290	Gage Street	910	Intramural Athletics <i>(out calls)</i>
300	Gates Lane	914	Guidance Services
310	Grafton Street	918	Physical Education
320	Granite Street	922	Home Instruction
330	Greendale School	926	Home Making Education
340	Harlow Street	930	Industrial Arts Education
350	Heard Street	932	Librarians
360	Indian Hill	934	Music Education
370	Lake View	938	Reading Consultants
380	Lamartine Street	942	Remedial Reading
400	Lee Street	946	Special Class Education
410	Lincoln Street	950	Speech Correction
420	Ludlow Street	954	Summer School
430	Malvern Road	958	Testing Coordinator
440	May Street	964	Elementary School Supervisor
		966	Secondary School Supervisor
		968	Supt and Assist Supts
		969	<i>Maintenance & Grounds</i>

Appendix 3

<u>Account</u>	<u>Account Name</u>
50001	Professional Salaries
50011	Special Salaries
50031	Custodian Salaries
50032	Custodian Overtime Salaries
50041	School Plant Salaries
50042	School Plant Overtime Salaries
50051	Executive Clerical Salaries
50052	Executive Clerical Overtime Salaries
50061	School Clerks Salaries
50071	Cafeteria Salaries
50072	Cafeteria Overtime Salaries
50102	Education - Ordinary Maintenance
50103	Transportation
50104	Military Service Retirement
50105	Travel Out-of-State
50106	Textbooks Supplies
50110	Agriculture Teachers Travel
50502	School Lunch Program Revenue Income
50112	Cafeteria - Ordinary Maintenance
50122	Competitive Athletics - Ord. Maintenance
50140	Leased Property
50142	School Plant - Ordinary Maintenance
50146	Fuel
50234	National Defense Education
50232	Instructional Capital Equipment
50233	Non-Instructional Capital Equipment
50755	Rehabilitation

Appendix 4.

Object

30

CODE NUMBERS

101 Fees	275 Tuition
151 Personal Services	281 Telephone
176 Salaries	283 Laundry
201 Advertising	285 Chartered Buses
206 Dues	286 Travel
208 Fire Protection & Equipment	287 Meals
211 Freight & Trucking	296 Licenses
216 Insurance	315 Supplies Construction
220 Sewer Service	316 Supplies Hardware
221 Electricity	320 Library Books
222 Gas	321 Supplies, Education & Textbooks
226 Postage	322 Supplies Recreational
227 Bus Tickets	324 Supplies Plumbing
231 Printing	325 Supplies Electrical
236 Use of Automobile	326 Supplies Food
241 Rentals of Equipment	335 Flags
246 Rentals of Buildings	336 Supplies Household
250 Electrical Repair	337 Laundry
261 Repairs to Buildings	338 Supplies Cleaning
263 Maint. & Repair of Furnishings	341 Supplies Medical
264 Maint. & Repair of Equipment	346 Supplies Office
265 Maintenance of Grounds	351 Supplies Tools
268 Maint. & Repair of Vehicles	352 Supplies Parts Equipment